



**Lodestar Energy, Inc.**  
**Mountain Operations**  
**White Oak, Horizon, and Grand Valley Mines**  
**HC35 Box 370**  
**Helper, Utah 84526**

September 6, 2001

Ms. Pamela Grubaugh-Littig  
Utah Coal Program  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

RE: Bond Recalculation for Horizon Permit C/007/020

Dear Ms. Grubaugh-Littig:

Lodestar Energy, Inc. is submitting a recalculation of the Horizon bond using the data for cost evaluation for the destruction of structures that was provided by Wayne Western – UDOGM along with recommended references. We believe that there is a major miscalculation in the earthmoving portion of the previous bond calculation. The major revision in the new bond amount is in earthmoving. The volume used in the new calculation is from the quantity of material for fill that Lodestar provided in Horizon's midterm review. The earthmoving capacity of the equipment used in this calculation and the appropriate efficiencies to move this material reduces the bond amount substantially. These calculations were completed using good reference materials and sound engineering practices.

The escalation factor used is from you to your bond estimators dated March 26<sup>th</sup> of this year of 3.12% per year.

Please consider this recalculation as part of the permit renewal process.

Sincerely,

David B. Miller  
Business Manager

*Incoming*  
*0/007/020 - KNOI*  
*Copy Wayne*  
*DM*

RECEIVED

SEP 11 2001

# APPLICATION FOR PERMIT PROCESSING

Permit Change ☒New Permit ☐Renewal ☐Transfer ☐Exploration ☐Bond Release ☐

Permit Number: C/007/020

Title of Proposal: Bond Recalculation for the Permit Renewal for C/007/020

Mine: HORIZON No.1 Mine

Permittee: Lodestar Energy, Inc.

Description, include reason for application and timing required to implement:

**Instructions:** If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO # _____  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 4. Does application include operations in hydrologic basins other than as currently approved?  |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | 5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?  |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | 6. Does the application require or include public notice/publication?  |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | 7. Does the application require or include ownership, control, right-of-entry, or compliance information?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? Explain: _____  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)                                    |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 15. Does application require or include soil removal, storage or placement?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps, or calculations?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring?  |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | 21. Have reclamation costs for bonding been provided for?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities?  |

☐ Attach 5 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

John C. Pappas - Business Mgr 9/5/01  
Signed - Name - Position - Date

Subscribed and sworn to before me this 5 day of SEPTEMBER 2001.

John C. Pappas  
Notary Public  
My Commission Expires: MARCH 7, 2002  
Attest: STATE OF UTAH  
COUNTY OF CARSON



Notary Public  
**JOHN C. PAPPAS**  
1646 East Castle Circle  
Price, Utah 84501  
My Commission Expires  
March 7, 2002  
State of Utah

Received by Oil, Gas & Mining

SEP 11 2001

DIVISION OF  
OIL GAS AND MINING

ASSIGNED TRACKING NUMBER

## Application for Permit Processing

### Detailed Schedule of Changes to the MRP

Title of Application: Bond Recalculation for Permit Renewal of C/007/020

Permit Number: C/007/020

Mine: HORIZON No.1 MINE

Permittee: Lodestar Energy, Inc.

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. **Include page, section and drawing numbers as part of the description.**

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 3-7 Recalculation of the Reclamation Bond after reviewing and updating the current bond calculation.
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
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<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?